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May 18, 2001

TO:

Minerals File

FROM:

Anthony A. Gallegos, Senior Reclamation Specialist

RE:

Site Inspection, GoldTerra, Inc., Blue Castle Mine, M/015/077, Emery County, Utah

Date of Inspection:

April 19, 2001

Time of Inspection:

1015 - 1215

Conditions: Participants:

mostly clear Dan Shepherd, Dan Guy, Don Foot, Dana Shepherd, GoldTerra, Inc.; Dan Larsen,

EIS; Dean Nyffeler, Jay Marshall, BLM; Tony Gallegos, Lynn Kunzler, DOGM

Purpose of Inspection:

to examine the soil and vegetative cover on the proposed mine site

We met at the turnoff for the mine off US highway 6/191 and drove into the site. Cattle were grazing in the area along the access road into the mine.

We first examined the sampling excavations into the barren clay hills. Dan Guy pointed out the hard consolidated shale layers at the lower depths of the excavations. The lower shale layers are hard enough that mining this material by ripping may not be possible, and drilling and blasting may be required to fracture the shale. Dan explained that the final pit benches would be composed of this hard shale, which would not be a good growth medium for plants. The pre-mining vegetative cover on the exposed clay hill slopes is essentially non-existent, which would imply that the revegetation requirement for these areas would be minimal.

We then examined the region identified as "TLX" on the map in the soils report section of the submission. This region has both soil and vegetative cover. Dan Guy mentioned that Gold Terra is in agreement with the Division's soil salvage and revegetation requirements for this region as shown on the map.

We then examined the center region of the proposed mine excavation. This region is where Gold Terra has disagreement with the Division's soil salvage and replacement recommendations. One issue of concern is the Division's requirement for topsoil salvage and replacement in this region. The ore depth on this lower level is minimal. Mining in this region would probably be preceded by using a dozer to scrape off the upper layer of rock, soil and vegetation to minimize the dilution of the ore. This grubbed material could be wind rowed in several locations and then spread out over the pit floor as part of final reclamation. This salvage and replacement of the upper horizon materials seemed acceptable to Gold Terra, provided the

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estimated volume was not excessive. We asked Dan Guy to estimate the depth of material they would need to scrape off to minimize ore dilution and use that to estimate the volume of salvaged material that would be replaced for this region.

From this same vantage point we used the plan maps to visualize the extent of the pit excavation up the clay hills and into the top layer of cap rock and vegetation. We discussed the probable sequence of pit development with respect to the upper layer of cap rock and vegetation. The first earthmoving tasks would probably include pushing the vegetation, and upper layers of soils and cap rock back away from the top edge of the pit boundary with a dozer. This would be needed for safety reasons, as well as for establishment of the first pit bench. This would create a pile of grubbed vegetation, soil and cap rock that could be pushed back onto the upper pit benches at the time of final reclamation. As the pit benches were developed from this upper level, it may be possible to push limited amounts of soil, vegetation and rock along the same level as the bench. This material could be spread out on the bench before access is lost to establish a soil island as part of final reclamation. This island of soil and rock would visually break up the pit area, and also provide a location for natural plant invasion on limited portions of the pit benches. The placement of the soil on the previously mined out area would be considered final regrading (thus there would be no additional reclamation costs for handling this soil).

Photographs were taken of the proposed pit areas to show the amount of pre-mining vegetation and barren ground. We discussed the general permitting process for this project as required under the BLM and Division regulations to identify possible complications with time frames and public notice requirements.

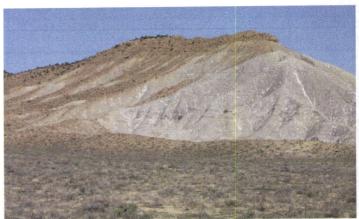
The inspection concluded with the following understandings: (1) the Division would document the inspection with a memo and accompanying photos to be copied to Gold Terra and the BLM; (2) Gold Terra would submit additional information revising the mining and reclamation plan to reflect soil salvage, soil replacement and seeding, and limited soil salvage and replacement on the upper pit bench area and along individual pit benches; (3) Gold Terra would submit a soil salvage and replacement map identifying the anticipated depth of soils to be replaced in the various regions of the mine operation; and (4) the Division would then revise the reclamation surety estimate to reflect these modifications to the plan, as discussed

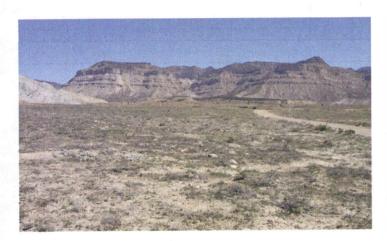
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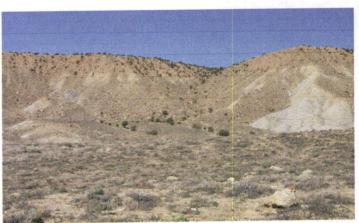
ce: Dan Guy, Black Hawk Engineering w/copies of photos
Dean Nyffeler, Price BLM FO w/copies of photos
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